

NNN INVESTMENT OPPORTUNITY

RITE AID - ROSEBURG, OREGON



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AGM *net
lease
properties*
COMMERCIAL REAL ESTATE

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RITE AID - ROSEBURG, OREGON

444 Stephens Street SE, Roseburg, OR 97470

INVESTMENT OVERVIEW 04

TENANT OVERVIEW 12

MARKET OVERVIEW 14



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INVESTMENT SUMMARY

The offering provides an opportunity to acquire a freestanding Rite Aid corporate location. Subject property is a 17,272 square foot Rite Aid store located in a Roseburg, Oregon. Store was built in 2006 as a part of Rite Aid's expansion in the Northwest. The subject store filled the drugstore gap that existed in the Southern part of Roseburg where there was a need for a drive through pharmacy. Rite Aid is currently going through an upgrade of the store to include a clinic.

LEASE DETAILS

Rite Aid (NYSE: RAD) signed a 20-year lease with six 5-year options to extend the initial term of the lease, that commence on July 15, 2006. Lease includes \$1/SF rental escalations every 5-year option, with the first escalation scheduled for July 2026. Lease is a NN where the Landlord is responsible for roof and structure, allowing for care-free ownership. There are currently approximately 7.5+/- years remaining on the initial term of the lease.

TRADE AREA

Property is located on a busy corner of SE Stephens Street and SE Washington Avenue in downtown Roseburg and is the only drugstore in historic downtown Roseburg. Property benefits from heavy traffic on Stephens Road as well as the Umpqua river bridges SE Oak and Washington Avenues connecting all of the traffic directly to the store.

Combined traffic count is substantially high at approximately 29,000 ADT. City of Roseburg has focused on revitalizing the downtown area and as a part of their latest effort, expanded the Stephens Street and renovated the sidewalks and landscape.

RITE AID

Rite Aid Corporation, through its subsidiaries, operates a chain of retail drugstores in the United States. The company sells prescription drugs and a range of other merchandise, including over-the-counter medications, health and beauty aids, personal care items, cosmetics, household items, food and beverages, greeting cards, seasonal merchandise, and more. The company operates more than 5,000 stores in 31 states of the United States, and the District of Columbia. Rite Aid Corporation was founded in 1927 and is headquartered in Camp Hill, Pennsylvania.

INVESTMENT HIGHLIGHTS

Busy Signalized Intersection

Subject property is located on the NW corner of the two busiest streets in downtown Roseburg.

High Visibility

Stephens street connecting North Roseburg to the downtown and Umpqua River bridges SE Oak and Washington Avenues connecting West Roseburg to downtown both converge on this corner.

High Traffic Count

With 17,100 ADT on SE Stephens Street and 11,500 ADT on SE Washington Ave, the combined ADT for the subject site is approximately 29,000

Expansion Store for Rite Aid

Construction of the subject store filled a gap that existed in downtown Roseburg, as no major national pharmacy existed in this part of town. Rite Aid is the only stand-alone national drugstore in downtown Roseburg

New Prototype

Store was built in 2006 as the newest Rite Aid prototype

Wellness Remodel and Redi-clinic

Rite Aid has done a so called Wellness Remodel, where they remodeled the interior to fit their newest format and are also adding a Redi Clinic, with an onsite physician – further showing commitment to this location

Downtown Revitalization

City of Roseburg has invested and is planning to invest further funds into revitalization of the downtown core area. The new City Hall is just a caddy corner to the subject store, with all of Stephens street completely renovated with emphasis on aesthetics, including creative landscaping

Minimal Landlord Responsibilities

Lease structure is a NN where the Landlord is responsible only for roof and structure. Roof warranty is for another

7.5 years and it can also be extended, providing for minimal Landlord responsibilities.

Rental Escalations

Lease calls for \$1/SF rental escalations every 5-year option, providing an effective inflation hedge throughout the lease.

No Effective Competition From Walgreens

Closest Walgreens is in excess of a mile away and is serving a completely different area of the city, having an insignificant impact on the subject store performance and its future, should the merger with Walgreens go through

PRICING AND FACTS

SALE PRICE: \$ 6,792,500.00

CAP RATE (CURRENT): 7.00%

NOI: \$ 475,474

YEAR BUILT / RENOVATED: 2006

RENTABLE SF: 17,272 SF

LOT SIZE: 1.43 Acres

OWNERSHIP TYPE: Fee Simple



LEASE SUMMARY



TENANT: Thrifty Payless, Inc. a wholly-owned subsidiary of Rite Aid, Inc.

LEASE TYPE: NN - Landlord responsible for roof & structure

UTILITIES: Tenant Pays Directly

TAXES: Tenant Pays Directly

INSURANCE: Tenant Pays Directly

LEASE TERM: 20 Years

COMMENCEMENT: June 15, 2006

EXPIRATION: June 30, 2026

REMAINING TERM: 7.5 +/- Years

RENEWAL OPTIONS: Six 5-year options

ROFR: None

Estoppel Period: 15 Days

BASE RENT SCHEDULE



| PERIOD | YEARS | \$/SF | ANNUAL RENT | MONTHLY RENT |
|-------------|-------|---------|-------------|--------------|
| 7/06 - 6/26 | 1-20 | \$27.53 | \$39,623 | \$475,474 |
| 7/26 - 6/31 | 21-25 | \$28.51 | \$41,041 | \$492,497 |
| 7/31 - 6/36 | 26-30 | \$29.52 | \$42,489 | \$509,869 |
| 7/36 - 6/41 | 31-35 | \$30.52 | \$43,928 | \$527,141 |
| 7/41 - 6/46 | 36-40 | \$31.52 | \$45,368 | \$544,413 |
| 7/46 - 6/51 | 41-45 | \$32.52 | \$46,807 | \$561,685 |
| 7/51 - 6/56 | 46-50 | \$33.52 | \$48,246 | \$578,957 |

LOCATION AERIAL MAP



PROPERTY SITE MAP

SUBJECT PROPERTY

| | |
|-------------|------------|
| Year Built | 2006 |
| Rentable SF | 17,272 |
| Lot Size | 1.43 Acres |



 10,000 DAILY

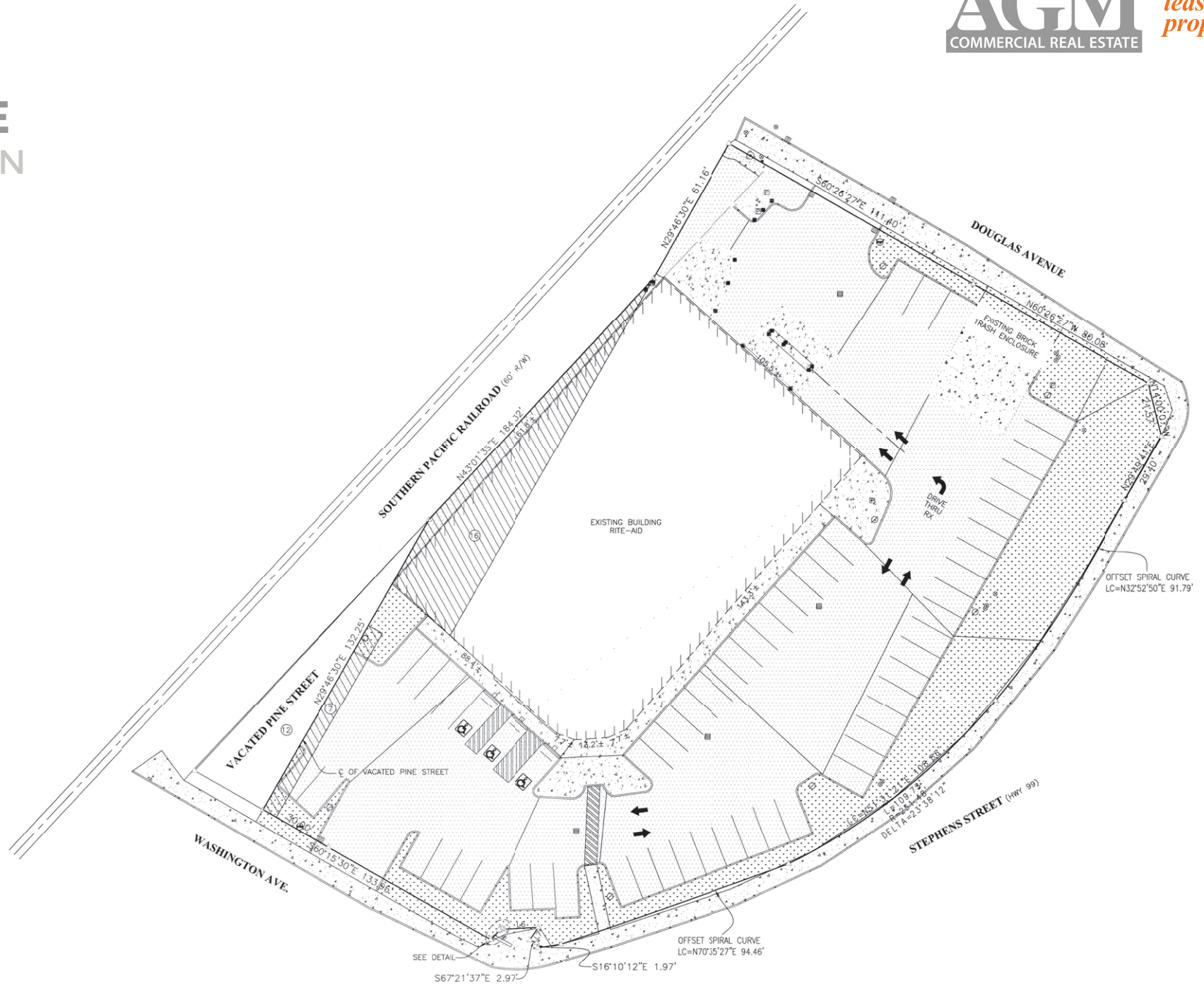
 17,100 DAILY

DOUGLAS AVENUE

WASHINGTON AVENUE



SITE PLAN



PROPERTY PHOTOS



TENANT OVERVIEW



TENANT TRADE NAME

RITE AID

OWNERSHIP

PUBLIC

TICKER SYMBOL

RAD (NYSE)

CREDIT RATING

B (Standard & Poor's)



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For more information about Rite Aid visit www.riteaid.com.

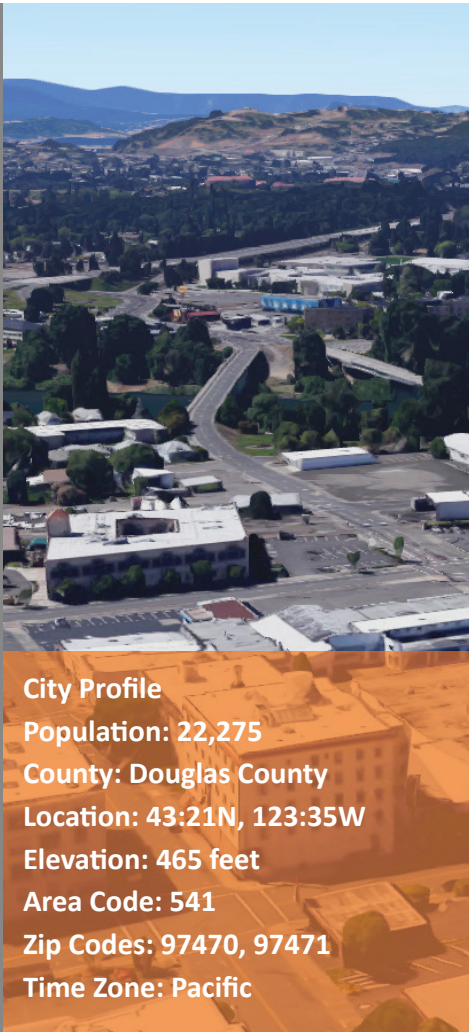
32.57 billion USD
ANNUAL REVENUE

8.58 billion USD
MARKET CAP

Building image above is for illustrative purposes only.

ROSEBURG

CITY INFORMATION



City Profile
Population: 22,275
County: Douglas County
Location: 43:21N, 123:35W
Elevation: 465 feet
Area Code: 541
Zip Codes: 97470, 97471
Time Zone: Pacific

ECONOMY

Roseburg is situated at the heart of the Hundred Valleys of the Umpqua in scenic, Southwestern Oregon. On Interstate 5, it is 67 miles south of the state's second largest city, Eugene, and 123 miles north of the California border. Traveling by State Highway 38/138 or 42, Roseburg is about 80 miles inland from the Pacific coastal communities Reedsport and Coos Bay. Highway 138 continues east from the city along the North Umpqua river. It is 79 miles to Diamond Lake at the summit of the Oregon Cascades and just 20 miles more to Crater Lake National Park.

RISING TOURISM

Roseburg has gained notoriety as a popular wine destination, and was named on Wine Enthusiast Magazine's "10 Best Wine Destinations of 2016." According to an Oregon Wine Board survey, Douglas County received \$44M in additional income in 2015, attributed to revenue generated by wineries and wine tourism.

10 LARGEST EMPLOYERS

| EMPLOYER | # OF EMPLOYEES |
|---|----------------|
| Roseburg Forest Products & Co. | 1,885 |
| Mercy Healthcare | 1,092 |
| Swanson Group | 682 |
| TMS Call Center | 615 |
| Seven Feathers Hotel/Gaming Center/UIDC | 606 |
| First Call Resolution | 424 |
| Umpqua Bank | 331 |
| Orenco Systems | 266 |
| A&M Transport | 200 |
| Douglas County Forest Products | 160 |

43% Employers Timber-Related Industry

AREA

DEMOGRAPHICS



| 2016 | 1 MILE | 3 MILES | 5 MILES |
|-------------------------|----------|----------|----------|
| Total Population | 8,077 | 25,623 | 37,808 |
| Total Households | 3,316 | 11,106 | 16,027 |
| Median Household Income | \$38,319 | \$39,863 | \$39,752 |

| 2021 Projections | 1 MILE | 3 MILES | 5 MILES |
|------------------|--------|---------|---------|
| Total Population | 8,148 | 25,843 | 38,174 |
| Total Households | 3,357 | 11,249 | 16,259 |

| Housing Units 2016 | 1 MILE | 3 MILES | 5 MILES |
|------------------------|--------|---------|---------|
| Total Housing Units | 3,547 | 11,886 | 17,113 |
| Occupied Housing Units | 3,316 | 11,103 | 16,027 |





AGM Net Lease Properties

www.agmnetlease.com